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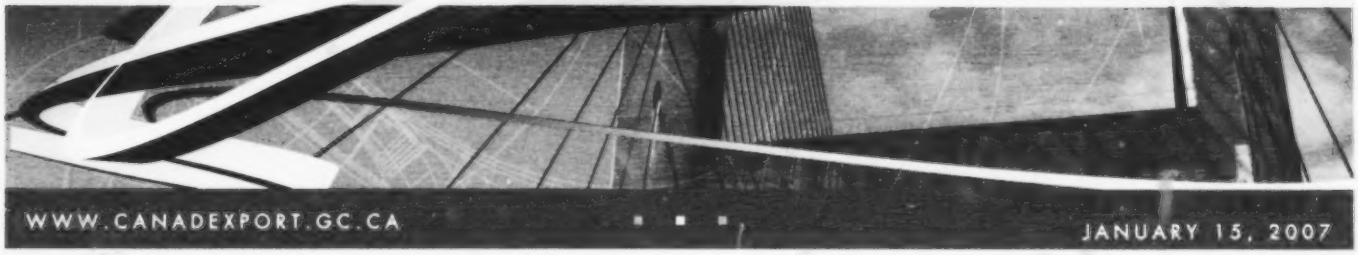

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JANUARY 15, 2007

TOP STORIES

Corporate espionage goes global

The words "corporate espionage" may conjure up images of 007 or the cold war, but this global phenomenon is not the realm of fiction or history. According to one expert, it is etched into today's business landscape and Canadian businesses of all sizes must be prepared for it. see page 3

Spicing it up in the west

Wild West Seasonings, a Canadian business run by a husband and wife team, are hot on the export trail. The couple went from selling sporting goods in Swift Current to seasoned jerky around the world—and they never looked back. see page 2

Canadian houses find markets overseas

The list of manufactured goods exported from Canada has a small but growing entry: wood-frame houses. Countries around the world are coming to appreciate Canadian expertise in wood-frame house construction, housing technology and energy efficiency. see page 5

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EDC poised to increase Islamic financing

Export Development Canada (EDC) has signed an agreement with the Islamic Corporation for the Insurance of Investment and Export Credit to help it build closer relationships with key Islamic financial institutions and to increase opportunities for Canadian exporters in countries covered by the Islamic Development Bank Group. see page 4

Pushing Canadian style to the max in the U.S. Midwest

Chicago, March 24-27, 2007 >

Canadian women's apparel manufacturers interested in the U.S. Midwest may want to participate in the Wear?Canada! at Stylemax export development program. see page 6

Can Canadian timber exporters make the cut in the U.K.?

The market for redwood and whitewood is changing in the United Kingdom, creating opportunities for Canadian producers of timber if they can cut to U.K. specifications. see page 7

2007-01854/

Manitoba spice company seasoned for success

For years, hunters would bring their meat into the Sportsman's Den, a sporting goods store in Swift Current, Saskatchewan. There, co-owner Rod Schwartz would use his exceptional skills—and his equally impressive seasonings—to process the meat into what many described as just about the best jerky anywhere.

Janet and Rod Schwartz, owners of Wild West Seasonings.

It was so good, in fact, that in 1993, Schwartz and his wife Janet abandoned the sporting goods business altogether and moved to Winnipeg to create and sell their seasonings full-time.

Since then, the market for food products created by Wild West Seasonings—the company the couple formed in 1995—has expanded beyond their wildest dreams. From the Winnipeg area, throughout the western provinces and into the United States—it seems they simply can't satisfy the appetite for Wild West's delicious creations.

"It wasn't always easy," says Schwartz. "Right after moving from Swift Current, we'd travel across Manitoba selling our jerky and sausages from the back seat of the car. I would approach sporting goods stores, hardware stores and grocery stores to find a place on their shelves for our products."

Not once, the couple insists, did they have second thoughts about their decision to turn their culinary skills into a business. "Our products always got a great reception so we knew things would work out if we just kept knocking on doors," says Schwartz.

Their confidence was rewarded when their jerky won rave reviews at Manitoba's Red River Exhibition, the Calgary Stampede and Klondike Days in Edmonton.

The next move, south into the United States, east to Ontario and down into Mexico, would prove more challenging. But with financial assistance from Foreign Affairs and International Trade Canada's programs and services, Wild West Seasonings was able to participate in trade missions to potential markets like Detroit, Chicago, San Francisco and Texas.

More recently, the Manitoba Rural Adaptation Council helped Wild West identify and cultivate new markets in Mexico. "We had signed a contract to introduce one of our new products, Caesar Pleaser (a dried Clamato cocktail), into restaurants and bars in Mexico," explains Schwartz.

"Unfortunately, that deal fell through. However, thanks to some timely introductions and key meetings, we've made contact with many of the resorts in Mexico as well as some cruise lines."

The Schwartzes know it won't always be clear sailing, but they're confident that once the Mexican market gets a taste of their products, they won't be able to resist coming back for more.

For more information, contact Rod Schwartz, co-owner of Wild West Seasonings, tel.: (204) 992-2104, email: **sales@wildwestseasonings.com**, website: **www.wildwestseasonings.com**.

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Corporate espionage: a by-product of today's global economy

In November, an employee of beverage giant Coca-Cola stood trial in a U.S. federal court in Atlanta on charges she stole trade secrets which she hoped to sell to Coke's chief rival, PepsiCo. Two others charged in the case have recently pleaded guilty.

When Pepsi blew the whistle on the foiled plot it set off alarm bells throughout the global business community as corporations everywhere scrambled to check file locks, recheck waste baskets for sensitive documents and rethink the countermeasures used to protect trade secrets from competitors.

"The Coca-Cola episode is certainly not the first or only time in recent years that a corporate giant has found itself ensnared in high-profile corporate intrigue," says Richard Sanders, a Montreal-born partner in Sullivan and Worcester, a law firm in Boston.

And Canadian businesses are not immune to this issue either, says Sanders. A two-year old lawsuit was settled last May when WestJet agreed to pay Air Canada $15.5 million for using the password of a former Air Canada employee to download detailed and commercially sensitive information from a company website.

"Corporate espionage is nothing new," says Sanders. "Then, as now, what makes corporate espionage so hard to police is that it can pay so well," he says.

Sanders says American companies spend about $2.3 billion a year keeping tabs on its competition. A 1999 survey by the American Society of Industrial Security found that U.S. firms had lost some $50 billion through the theft of proprietary information.

But when asked why corporate espionage is rising these days, Sanders points to a number of reasons.

"First, it's now much easier than ever. Before email and the Internet, corporate espionage was a contact sport. You had to break into factories, rummage through trash or send spy planes overhead to take surveillance photographs of factories. One dumpster-diving London executive was so paranoid about the competition that he rented a garage and wore overalls while personally rifling through trash he collected from his rival each night."

But that's a thing of the past, says Sanders, who adds that laptops are essentially offices in a box. "It is now possible for a person to steal secrets halfway around the world from the comfort of their own office or home."

AP Photo/Paul Sakuma

In November, former Hewlett-Packard chairwoman Patricia Dunn pleaded not guilty to four felony identity theft and fraud charges for allegedly instigating the company's ill-fated spying probe into boardroom leaks.

And the computer has given these virtual corporate safecrackers a dizzying array of new tools of the trade: password crackers, keyboard loggers, spyware and sniffers, which are programs that secretly catch information sent along a company's network.

"The second reason for the rise in corporate espionage is that, like it or not, electronic spying is now much more culturally acceptable because, even when caught, perpetrators do not always pay the full cost of their crimes."

Part of the reason for this nonchalance over corporate espionage is the stiff competition of the global market.

"Fear is a powerful corrosive that can even eat away at ethical standards," says Sanders. "And since staying on the cutting edge is often the difference between life or death for corporations and their employees in this hyper-competitive climate, it is unrealistic

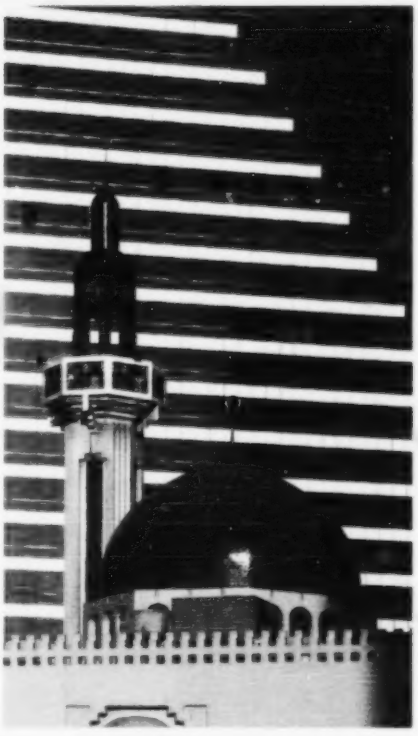
See page 4 – Corporate espionage

EDC poised to increase Islamic financing

Export Development Canada (EDC) has signed an agreement with the Islamic Corporation for the Insurance of Investment and Export Credit to help it build closer relationships with key Islamic financial institutions and to increase opportunities for Canadian exporters in countries covered by the Islamic Development Bank Group.

Islamic financing refers to a system of banking or banking activity which is consistent with Islamic law principles and guided by Islamic economics. Islamic law prohibits usury, the collection and payment of interest.

"In more than 75 markets around the world, supporting transactions and projects using Islamic financial instruments is a business reality," said Eric Siegel, Chief Operating Officer of EDC. "Through this agreement, EDC hopes to develop a wealth of opportunities for Canadian exporters in new markets, particularly the Middle East, Malaysia, Indonesia, India and Pakistan."



EDC is Canada's export credit agency, offering innovative commercial solutions to help Canadian exporters and investors expand their international business. EDC's knowledge and partnerships are used by 7,000 Canadian companies and their global customers in up to 200 markets each year. EDC is financially self-sustaining and is a recognized leader in financial reporting, economic analysis and human resource management.

For more information, go to **www.edc.ca**.

■ ■ ■

Corporate espionage – continued from page 3

to assume that companies and their employees won't cross the line to bolster the corporate bottom line or to advance an individual's career."

Sanders says the pressures of economic competition are even felt at the national level. The International Chamber of Commerce recently launched a campaign to stop counterfeiting and piracy by renegade companies, and to pressure governments to enforce anti-counterfeit laws and legislation.

The European Commission, the executive body of the European Union, has also charged that local authorities in some countries do little to rein in counterfeiting of Western brand products. China tops the list, according to the EU, where counterfeiting grew by an epidemic 800% in 2004, followed by Russia, Ukraine, Chile and Turkey.

And finally, Sanders says corporate espionage is growing because the global economy is too.

"Laws against corporate espionage are difficult enough to enforce when they regulate companies doing business in the same country. They are even harder to enforce or interpret when they attempt to regulate companies doing business across oceans and cultures," he says.

Whenever cross-border corporate espionage occurs, it implicates not only the laws of the country where the thief resides, but also the laws of the victim's home country. It is just a fact of life that, for now, the habits, traditions and legal conventions which govern multinational corporations and the multitude of nations engaged in world trade, are far less mature, ingrained and uniform than those in an individual country.

Sanders says this should not be surprising. "Whenever the manner by which we earn our living undergoes a revolutionary change—like going from primitive manufacturing to large-scale industrialization—there is always a lag between the appearance of a new economic order and the social, political and legal systems that sustain it."

That holds equally true in today's global economy, where, in the absence of established conventions and a uniform body of law, a buccaneer spirit of anything-goes too often does rule the day.

For more information, go to **www.iccwbo.org** or **www.sandw.com**.

■ ■ ■

Canadian wood-frame houses find markets overseas

The list of manufactured goods exported from Canada has a small but growing entry: wood-frame houses.

Countries around the world are coming to appreciate Canadian expertise in the construction of wood-frame houses, housing technology and energy efficiency. The result is a growing demand for that expertise in the form of pre-engineered homes, and DAC International Inc. of Carp, Ontario, is finding success entering international markets with its products.

DAC designs, prefabricates, ships and erects wood-frame homes around the world, from one-of-a-kind dream homes to large-scale residential developments. The company's hard work has generated results, with DAC exporting more than 700 housing units to the U.S., Japan and the U.K.

"Canadians don't realize how valuable their expertise in this area really is, but other countries recognize it and they're interested," says Jeff Armstrong, the company's president.

DAC began more than 20 years ago as a general contractor, building custom homes in the Ottawa Valley. Infused with an interest in energy conservation and a build-it-to-last philosophy, the company was doing well, Armstrong says.

But on a trip to Poland in the early 1990s, Armstrong found great interest in Canadian housing products and know-how and determined pre-engineered manufacturing would be a commercially viable way to export housing technology.

"We didn't begin life as manufacturers, we brought our expertise as builders indoors," Armstrong says, essentially reverse engineering the building process. With a product in place, attention turned to the challenge of international marketing.

"It was pretty lonely at the beginning," says Armstrong. "We didn't know how well the business model would work." DAC persevered, however, and the company was well-positioned when Natural Resources Canada launched a drive to market Canadian energy-efficient technology to foreign markets by re-branding its R-2000 initiative as Super E housing.

"R-2000 encapsulated the way were already building houses," Armstrong says. Canada Mortgage and Housing Corporation (CMHC) International came on board to promote Super E. CMHC International provides assistance with market intelligence in the housing industry and helps to find local partners for Canadian companies.

A DAC International home in Easton, Maryland.

In 1999, DAC built one of Japan's first Super E houses and has built dozens more since. Recently the company completed delivery of a seniors' facility in Toyota City, demonstrating the application of Canadian wood-frame expertise to large-scale projects.

Armstrong says that in retrospect, his company might have been able to take advantage of even more opportunities in the early years if DAC had greater resources behind it. DAC was built from the ground up and didn't have sufficient capital to expand to meet demand. In 2005, the firm was acquired by the KOTT Group, a large Ottawa-based building material supplier and manufacturer that was very supportive of DAC's export agenda.

"We're no longer a niche performer. We needed to get stronger and we set out to find a sound partner who shared our vision," Armstrong says. About 90% of the company's business is export.

His advice for those considering international markets is to take full advantage of existing information.

"You've got to learn as much as possible about the environment you're going to be working in. The differences in the business culture from Canada may be subtle but they're important. There's a steep learning curve in every market."

He also recommends seeking the assistance of agencies such as Canada Mortgage and Housing Corporation, and contacting the commercial officers at consulates and embassies in the market you're entering.

"The people at CMHC and in the foreign service are very helpful, bright and able. Don't try to go it alone, get the benefit of the experience at CMHC and Foreign Affairs and International Trade Canada."

For more information, contact CMHC International, website: **www.cmhc.ca**.

Pushing Canadian style to the max in the U.S. Midwest

Chicago, March 24-27, 2007 > Canadian women's apparel manufacturers interested in the U.S. Midwest may want to participate in the **Wear?Canada! at Stylemax** export development program.

Part of the program includes participation in a Canadian pavilion at Chicago Stylemax, one of the biggest women's apparel and accessory trade shows in the U.S.

"The main objective of this program is to provide new-to-market Canadian companies a venue to exhibit their products, identify and select reps and buyers, to provide enhanced exposure to Canadian apparel manufacturers and work towards broadening the visibility of Canadian apparel lines," says Ann Rosen, a trade commissioner with the Canadian Consulate in Chicago.

The program is coordinated by the Canadian Apparel Federation and the Canadian Consulate General in Chicago and includes a full-service booth, exhibitor passes, participation in the Stylemax Fashion Show and extensive marketing support.

Participants will also receive a 30% discount to advertise in the *Wear?Canada!* publication, which is distributed to 4,200 retailers and online at www.wearcanada.ca. Canadian brands will be featured in the Stylemax directory, listed in *Wear?Canada!* and be included in the *Wear?Canada!* media kit advanced to buyers.

The deadline to confirm participation is February 10, 2007.

For more information, contact Eileen Melnick McCarthy, Canadian Apparel Federation, tel.: 1-800-661-1187, ext. 222, email: **emelnick@apparel.ca**.

■ ■ ■

U of T organizes investment conference in Serbia

Belgrade, March 27-28, 2007 > For exporters looking to venture into the Balkan countries, participating in a Canadian-led investment conference might be a good way to do it.

The investment conference will look at business opportunities for Canadians in the Western Balkans and will allow leading investors in the region to offer assessments of their experiences. The countries of focus include Albania, Bosnia, Croatia, Macedonia, Montenegro and Serbia.

Panelists from Canadian and European companies will look at opportunities in agriculture and food processing, real estate and tourism, energy and mining, telecommunications and IT, banking and financial services.

The region has already seen some high-profile investment from Canadian companies. Organizers say that participants can expect a frank assessment of the potential for the region as whole as it moves towards political and economic stability along with membership in the North Atlantic Treaty Organisation and the European Union.

The University of Toronto 's Munk Centre for International Studies, in partnership with Dundee Precious Metals Inc. and Foreign Affairs and International Trade Canada, is organizing the event.

For more information, contact Robert Austin, Centre for European, Russian and Eurasian Studies, Munk Centre for International Studies, University of Toronto, tel.: (416) 946-8942, email: **robert.austin@utoronto.ca**, website: **www.utoronto.ca/mcis**.

■ ■ ■

Canada advances trade initiatives at APEC meeting

Canada made progress in advancing key trade and investment initiatives at the Asia-Pacific Economic Cooperation (APEC) Ministerial Meeting in Hanoi last November.

The new initiatives include a bilateral agreement with Peru aimed at protecting and promoting foreign investment through legally-binding rights and obligations.

Improvements were made to the Canada-Chile Free Trade Agreement, which will allow Canadian businesses to compete for a wide range of Chilean government contracts. Canada has also agreed to engage in negotiations of bilateral air service agreements with Australia, New Zealand and Singapore.

In addition, Canada and Singapore have agreed to resume free trade negotiations immediately. Given Singapore's position as a strategic hub in Southeast Asia, a free trade agreement with Singapore could yield significant economic benefits.

Canada and Indonesia have agreed to a forum for regular discussion of trade and investment issues and to complete preparatory work toward the launch of negotiations on an investment agreement.

For more information, go to **www.international.gc.ca**.

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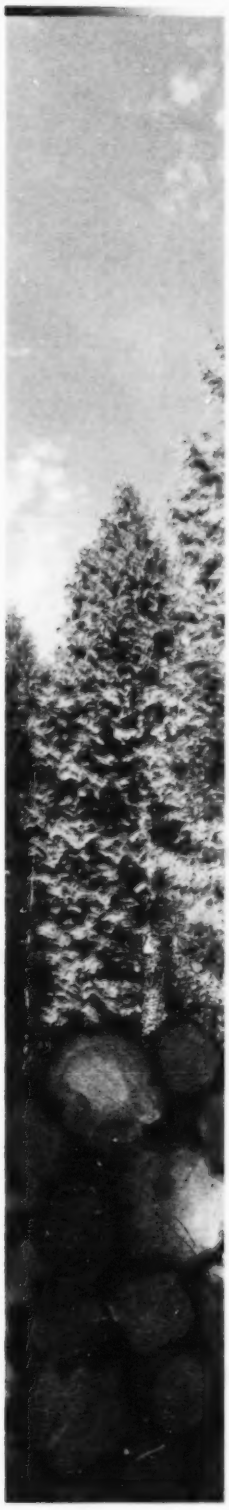


Can Canadian timber exporters make the cut in the U.K.?

The market for redwood and whitewood is changing in the United Kingdom, creating opportunities for Canadian producers of timber if they can cut to U.K. specifications.

Jason Kee, a trade commissioner with the Canadian High Commission in London, says his office is receiving an increasing number of requests from U.K. importers of timber looking for Canadian lumber. Kee says this increase in demand stems from the fact that prices for redwood and whitewood are rising due to a growing shortage of whitewood sawlogs in Europe. But there are many other factors too.

"One reason is low river levels in Russia, which decreases the volume of logs arriving at the mills," says Kee. "Other factors include increased demand in internal markets and a change in the tax regime in Finland, which decreases incentives for forest owners to cut trees."

The trade commissioner points out that these factors have reduced supply by about 10% compared to last year. He adds that in Sweden, producers can sell all they can produce. Moreover, levels of green wood coming out of the Baltic states has also decreased as producers there want to sell more value-added products like kiln-dried timber.

Naturally, these factors have affected price, which rose some 25% in 2006. If these factors remain, analysts predict a further increase of 5% within months. With these increases, Canadian softwood timber may soon prove competitive in the U.K. market if companies are ready to cut to U.K. specifications. The most common cuts in Europe's timber market are 32, 35 and 47 millimetres in thickness and 225 millimetres in width.

For more information, contact Jason Kee, Canadian High Commission in London, email: **jason.kee@international.gc.ca**.

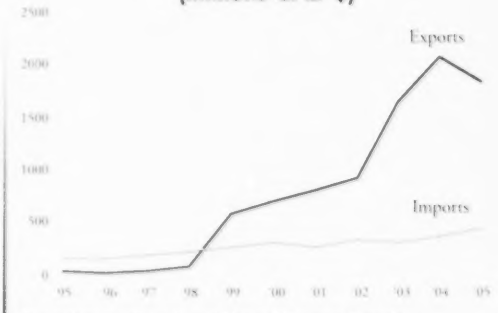
Canada's young diamond industry is booming

Canada's diamond industry has grown tremendously in the past eight years. Canada is now the third-largest producer of rough diamonds[1] as of 2004, and diamond trade has risen commensurately.

While Canada ran a $153 million trade deficit in diamonds in 1998, it posted a $1.4 billion surplus by 2005, reflecting an annual average growth rate in diamond exports of 53% over that period. Of the $1.9 billion worth of diamonds exported in 2005, 90% were sent to Belgium and the U.K.—Antwerp and London are the primary locations where the world's diamonds are sorted and sold—with the U.S. taking in 8%. Moreover, Canada's exports are of high value. In 2005, less than 1% of diamond exports were classed as industrial diamonds, while 32% were worked or unworked gems. The remaining 68% were as yet unsorted—but these too garnered a high price per carat, reflecting the high quality of Canada's diamonds.

[1] *Production measured by value, not carats.*

Canada's Diamond Trade (millions CAD $)



Data: Statistics Canada and Natural Resources Canada

*Provided by the Office of the Chief Economist, Foreign Affairs and International Trade Canada (**www.international.gc.ca/eet**).*

AEROSPACE & DEFENCE

Colorado Springs, April 9 - 12, 2007 > The Canadian Consulate General in Denver is organizing a national pavilion at the **National Space Symposium**, a U.S. policy and program forum, on all sectors of space—civil, commercial and national security.
Contact: Philippe Taillon, Canadian Consulate General in Denver, tel.: (303) 626-0640, email: **philippe.taillon@international.gc.ca**, website: **www.spacesymposium.org**.

AGRICULTURE, FOOD & BEVERAGE

London, March 18-21, 2007 > The **International Food and Drink Event** brings together buyers and decision-makers from the world's leading retailers, foodservice operators, wholesalers, distributors, importers, exporters and manufacturers to see the latest food and drink products, ideas, solutions, innovations, trends and opportunities.
Contact: Ros Burridge, Canadian High Commission in London, email: **ros.burridge@international.gc.ca**, website: **www.ife.co.uk**.

ARTS & CULTURAL INDUSTRIES

Tokyo, March 22-25, 2007 > The **Tokyo International Anime Fair**, which attracted over 220 exhibitors in 2006, is a major international animation event. Buyers from more than 20 countries including China, Korea and Taiwan, come to the show each year hoping to find new content and technology. Matchmaking events will be organized by the Canadian Embassy in Tokyo.
Contact: Stéphane-Enric Beaulieu, Canadian Embassy in Tokyo, tel.: (011-81-3) 5412-6232, email: **stephane.beaulieu@international.gc.ca**, website: **www.tokyoanime.jp/en**.

BUILDING PRODUCTS

Tunis, March 7-10, 2007 > Attending the **Mediterranean Building Exhibition** is a great way to meet buyers and establish a customer base in the African and Mediterranean construction market, as well as to learn about new products and services in this sector.
Contact: Lassaâd M. Bourguiba, Canadian Embassy in Tunisia, tel.: (011-216-71) 104-056, fax: (011-216-71) 104-193, email: **lassaad.bourguiba@international.gc.ca**, website: **www.infoexport.gc.ca/tn**.

Kuwait, March 12-14 2007 > Kuwait Smart Buildings Expo is the first exhibition in Kuwait to address the needs of the country's high-rise building industry. The fair is the ideal place for professional planners, construction and maintenance workers, building system management, consulting engineers, HVAC systems vendors, surveillance systems manufacturers and suppliers to connect.
Contact: www.globalconnection.com.kw.

Dublin, March 7-8, 2007 > Irish Recycling & Waste Management, which runs concurrently with Irish Water, Waste & Environment, is a great way for exporters to discover new suppliers, catch up with existing ones, network with the industry and discover never-before-seen products only available at the show.
Contact: Gerry Mongey, Canadian Embassy in Ireland, tel.: (011-353-1) 417-4100, fax: (011-353-1) 417-4101, email: **dubln@international.gc.ca**, website: **www.environment-ireland.com**.

SERVICE INDUSTRIES

Caracas, March 16-18, 2007 > Descubra Canada 2007, Canada's premier event in Venezuela for the education sector, will be a unique platform for educational and language training institutions seeking to establish or to expand their foothold in this growing market.
Contact: Carlos Rey, Bassa Aviation and Services, email: **carlos.rey@bassa.com.ve**.

TOURISM

Beirut, December 6-9, 2007 > In 2005, the **Arab World Travel and Tourism Exchange** registered over 6,700 visitors, 13 national pavilions and more than 100 exhibiting companies. Gather the latest travel market information and find new sources for products and services.
Contact: Nathalie Nercessian, Canadian Embassy in Lebanon, email: **nathalie.nercessian@international.gc.ca**, website: **www.awtte.com**.

Kuwait, April 16-19 2007 > The main focus at the **Kuwait International Health Resorts Expo** is on health tourism, a growing trend among travellers seeking to enhance their well being through travel. The fair will feature health resorts from around the world.
Contact: www.globalconnection.com.kw.

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